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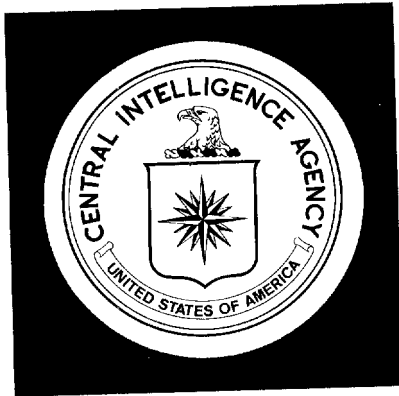
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Weekly Summary

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April 23, 1976

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April 23, 1976

The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, the Office of Geographic and Cartographic Research, and the Directorate of Science and Technology.

1 Middle East - Africa

Lebanon; USSR-Lebanon;
Israel; Iraq-Syria; Rhodesia;
South Africa - Israel

3 South Asia

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China; Cambodia

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Comments and queries on the contents of this publication are welcome. They may be directed to the editor of the Weekly Summary [redacted]

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Middle East- Africa

LEBANON

1

Developments in Lebanon this week were heavily influenced by an agreement worked out in Damascus on April 16 by Syrian President Asad and Palestinian leader Yasir Arafat. The agreement was aimed in part at patching over differences between the Syrians and Lebanese leftists led by Kamal Jumblatt after Syrian regular forces moved into Lebanon earlier this month.

Asad agreed to a request by Jumblatt, through Arafat, for the revival of the joint

Syrian-Palestinian-Lebanese truce committee to police the new cease-fire that went into effect on April 20. Asad rebuffed Jumblatt's demand that Syria withdraw its forces and gained Arafat's public support for a continuation of Syrian mediation. Both Asad and Arafat rejected publicly other Arab or international participation in future settlement talks.

Asad may have given certain private assurances to Arafat to mollify Jumblatt and win leftist support. In any event, Jumblatt has no choice but to acquiesce so long as the mainline Palestinian groups, which provide the bulk of his arms and fighting men, are prepared to cooperate with the Syrians.

The Syrian-Palestinian agreement caused immediate concern among Lebanon's top Christian leaders. Presi-

dent Franjiyah—apparently with the encouragement of Interior Minister Shamun—attached new conditions to signing the constitutional amendment that provides for the early election of his successor. Franjiyah and Shamun fear that Asad may have secretly agreed to scrap the February political settlement, under which the Christians would salvage much of their political position.

Damascus has denied this publicly and privately. Saiqa leader Zuhayr Muhsin reportedly told representatives of the Christian Phalanges Party at a meeting of the truce committee this week that Syria had made no secret commitments to Arafat, and Asad probably gave similar assurances to a special envoy of Franjiyah who visited Damascus on April 21.

The restoration of the truce committee has reduced the level of fighting, which late last week had again become intense in Beirut and nearby mountain villages. By midweek, however, the committee was still having trouble suppressing violence in the capital, with elements on both sides continuing to trade artillery and mortar fire.

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2:5-6 Soviet Views of Syrian Role in Lebanon

Moscow, although increasingly uncomfortable with Syria's role in Lebanon, still seems to regard it as the best way out of the crisis.

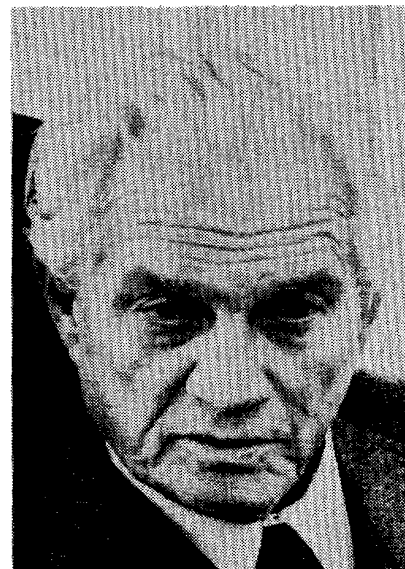
The Soviets have come under pressure from Lebanese leftist leader Jumblatt and Palestine Liberation Organization chief Arafat to urge Syria to end its intervention in Lebanon. Moscow has clearly been discomfited by the growing gulf between the Syrians and its Palestinian allies and Lebanese leftist friends. One Soviet official in Moscow recently acknowledged that while Syrian mediation may still be a good thing, it had led to considerable disagreement and Arab disunity. The official was particularly disturbed by the confusion in fedayeen ranks. The Soviets are concerned that if Syria dominates Lebanon, Arafat's leadership of the PLO could be challenged by its pro-Syria faction. Although the Soviets have had their problems with Arafat, they think his leadership of an independent Palestinian

movement best serves their long-term interests.

The Soviets seem suspicious that what they view as tacit US-Syrian cooperation over Lebanon could open the door to more US influence in Damascus.

Moscow is also concerned that the mission of Ambassador Brown and the presence of the Sixth Fleet might mean that the US is preparing its own formula to end the conflict. Moscow has kept up a steady drumbeat of criticism of US naval movements off the Lebanese coast, charging they represent a return to the "bankrupt gunboat diplomacy" of the past.

Despite these misgivings, Moscow has continued to endorse Syrian mediation efforts publicly, although in cooler terms than before. Moscow welcomed the recent agreement between Arafat and Asad and must be particularly pleased by their public rejection of a US role in settling the conflict.



Interior Minister Shamun

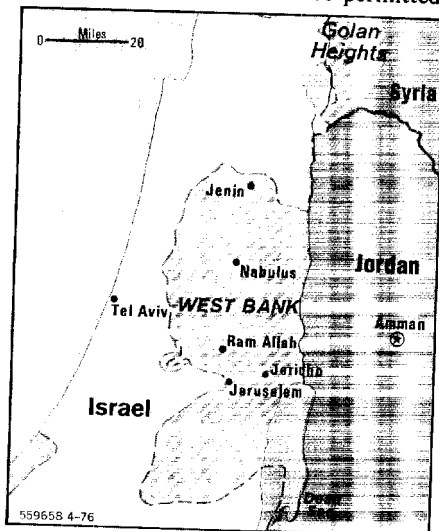
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ISRAEL 7-11

A march staged in the Israeli-occupied West Bank on April 18-19 by the Jewish ultraconservative Gush Emunim group touched off a new round of violent anti-Israeli demonstrations this week by West Bank Arabs strongly opposed to the group's demands that Jews be permitted



to settle in greater numbers in the territory.

Some 30,000 Israelis reportedly participated in the march, which began near Ramallah and ended at Jericho. The event was timed to influence a government debate on West Bank settlement policy tentatively scheduled for the end of April. Disagreement among Israeli political factions over the wisdom of permitting the march will sharpen the debate.

In Nablus, one Arab demonstrator was killed and eight others wounded by Israeli troops attempting to restore order. Another Arab was wounded by Israeli soldiers in a similar incident at Jenin. One of the largest demonstrations occurred in Ramallah, triggered by the accidental shooting late last week of a six-year-old Arab boy by Israeli troops. The Israelis were trying to disperse a crowd quarreling over the results of the municipal council elections on April 12.

Israeli authorities imposed curfews on

several towns and reinforced their military and police forces in the territory. By midweek an uneasy calm appeared to be returning to the West Bank, and some curfews were lifted. Israeli officials are also appealing—as they did during the Arab demonstrations in February and March—to the members of municipal councils in the area to help maintain order. Many of these councilmen, however, were elected last week on nationalist slates favoring the Palestine Liberation Organization. The Israelis are likely to have difficulty securing their cooperation.

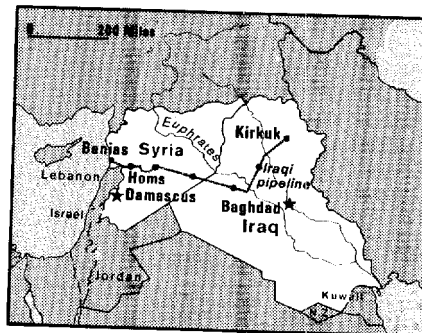
IRAQ-SYRIA 16-17

Iraq cut off oil to Syria on April 9, forcing Damascus to seek high quality crude elsewhere to meet its commercial and military needs. The Syrians have temporarily curtailed or suspended domestic air service to conserve aviation fuel and have approached the Saudis to help make up the shortfall.

The transit pipeline agreement between Iraq and Syria, under which Syria had been buying 50,000 barrels per day of Iraqi crude at a price of only \$3.00 per barrel, expired last December. Since then, differences over the future sale price of Iraqi oil and over Syrian transit fees have prevented Damascus and Baghdad from concluding a new agreement.

Syria depends exclusively on Iraq for light crude. Syria earned some \$150 million last year in transit fees on the oil passing from Iraq through Syria to the Mediterranean.

Damascus could buy light crude from other suppliers—at world market prices, more than \$11.50 per barrel. Syria would also incur additional transport costs in getting the oil to the Homs refinery. If Damascus purchases light crude from Saudi Arabia, the Saudis might provide some concessions, but Syria would still have to pay substantially more than under



the Iraqi terms in effect until last December.

The move may have been timed to hamper Syria's efforts to resolve the Lebanese crisis. The Iraqis have supplied arms and money to fedayeen radicals in an effort to undercut Syrian mediation efforts there and have been vocal in their criticism of recent Damascus policies. Baghdad would like to see a Syrian failure in Lebanon lead to the overthrow of President Asad.

The two rival Baathist regimes in Syria and Iraq have been bickering more or less openly since last spring when Damascus cut off water to Iraq from the Euphrates River after Iraq allegedly meddled in Syria's internal affairs. If Syria decides to put pressure on Iraq to resume oil shipments, cutting the flow of water again would be the most obvious and effective way of doing so.

RHODESIA 18-19

Rhodesian nationalist guerrillas based in Mozambique have for the first time attacked important lines of communication in southeastern Rhodesia.

A train on the Rutenga-Beitbridge railway was damaged last weekend by an explosive device. Earlier this month, Rhodesian security forces had removed an unexploded device from the tracks.

The Fort Victoria - Beitbridge highway was temporarily closed by the Rhodesian police on April 19 after three South African tourists were killed and another

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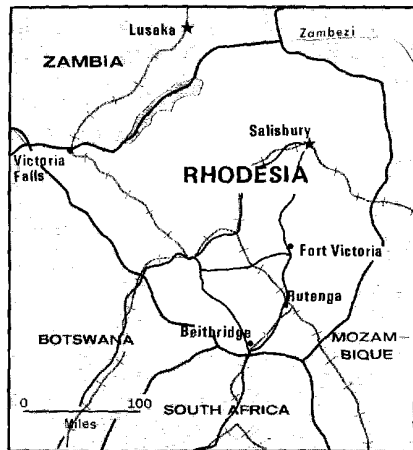
wounded in a terrorist attack the previous night.

Until now, most guerrilla activity in the southeast has been within 10 to 15 miles of the Mozambique border, but a few small guerrilla groups have penetrated farther into southern portions of the country. The recent incidents occurred about 85 miles from the border.

Most guerrillas operating in Rhodesia are in the northeast, long the focus of insurgent activity. There are probably now only a few hundred guerrillas in the southeast. With the end of the rainy season at hand, however, the insurgents may be shifting more of their activity to the southeast where natural cover is better during the dry season.



Prime Ministers Vorster (l) and Rabin during their talks in Jerusalem



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20-25

SOUTH AFRICA - ISRAEL

South African Prime Minister Vorster, following his recent four-day visit to Israel, announced that the two countries have reached a broad agreement to expand economic and scientific cooperation. Vorster probably at least explored possibilities for obtaining Israeli armaments to strengthen South Africa's armed forces.

Vorster said that a joint ministerial

committee would meet regularly to promote projects using South African raw materials and Israel's skilled manpower. Prospects appear slim, however, for a significant expansion in nonmilitary trade, which is now less than 1 percent of either state's total foreign trade.

Speculation that the South Africans are shopping for Israeli arms has been prompted by the 40-percent increase in the defense budget for the coming year that Vorster submitted to his parliament last month. South Africa in fact could become one of Israel's best markets for arms and technical military assistance.

Early this year Israel sold to South Africa 10 tank hulls, from which South Africa will probably try to assemble armored vehicles. Pretoria has reportedly been negotiating since late 1974 for Reshef-class patrol boats and Gabriel naval cruise missiles; sales of these items have not been confirmed.

Other Israeli weapons that might interest South Africa are the Kfir fighter, the Shafrir air-to-air missile, and the Arava STOL transport. Since Pretoria has Mirages in its inventory, South African air force personnel would have little trouble in adapting to the Kfir, which is based on a Mirage. Any sales or transfers of the Kfir, which has US engines, would require US approval,

however.

Favorable reactions to the visit in South Africa have apparently strengthened domestic support for Vorster's efforts to increase the limited number of states openly supportive of South Africa. Apparently, Rabin is willing to lend himself to South Africa's attempt to play up the importance of Vorster's visit even though it might hinder Israel's efforts to re-establish ties with black Africa and provide additional grist for Israel's detractors in the UN.

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South Asia

INDIA

26-28

During the past week Prime Minister Gandhi's government moved to improve relations with China and Pakistan. On April 15, Foreign Minister Chavan announced the appointment of an ambassador to Peking. Four days later, New Delhi announced its willingness to discuss with Pakistan several major unresolved

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issues and the resumption of diplomatic relations.

China and India withdrew ambassadors prior to the Sino-Indian border war of 1962. Relations were never severed, and small diplomatic missions have continued to operate. Occasional efforts to improve relations in recent years have come to nothing because of recurrent disputes and occasional border clashes.

China has long insisted that India, which was the first to withdraw its ambassador, be the first to return one. The Indians have been reluctant to comply in the absence of an unequivocal commitment by China to reciprocate. New Delhi finally conceded to the Chinese demand, with only a verbal understanding that Peking would send an ambassador to New Delhi shortly after the Indian diplomat presents his credentials.

The announced Indian willingness to meet with the Pakistanis to discuss possible renewal of overflights, resumption of rail and road communications, and restoration of diplomatic ties, came in response to a Pakistani decision to drop a five-year-old case against India before the International Civil Aviation Organization. Negotiations are likely to be difficult and could bog down once again in an exchange of recriminations.

In any event, India will still face unresolved problems with both countries. China and India have conflicting border claims; Kashmir will remain an unsettled issue between Pakistan and India.

India probably hopes by these latest moves to improve its position among Third World countries prior to the non-aligned summit meeting in August. India is regarded by many of these nations as too closely tied to the Soviet Union.

Indian officials presumably informed Soviet diplomats of the proposed initiatives prior to the public announcements and, probably not coincidentally, announced on April 15 the signing of a major trade pact with the Soviet Union. Gandhi reportedly is planning to visit Moscow early in June to confer with Soviet leaders.

East Asia-Pacific

CHINA

29-31

Senior military leader Yeh Chien-ying, a staunch supporter of ousted Teng Hsiao-ping, returned to Peking last week after a three-month absence, reportedly in south China. His return suggests he is reasonably satisfied with the compromises arranged after Teng's fall. It is also a further indication that moderates have come through that event relatively unscathed.

Yeh reportedly walked off his Defense Ministry job in protest last January, when Teng was not named to succeed Chou En-lai as premier. The defense job had apparently been kept open for Yeh. To mask this high-level disagreement over the attack on Teng, Peking issued a document claiming that Yeh was "ill" and that his duties were being performed by Politburo member Chen Hsi-lien. Chen was never identified—publicly or privately—as acting defense minister and has not

appeared in public since February 28.

Yeh was not identified as defense minister in his public appearance last week, but that in itself is not particularly significant. He is not usually so identified when he appears in public. It seems unlikely that he would have returned to Peking if he had lost the Defense Ministry job, although it is possible that this position, as well as that of chief of staff, is still subject to bargaining. Yeh is the last leading moderate to appear since Teng's fall and was himself reportedly under criticism in February. His return to public view makes even more glaring the absence of all but one of the party leftists leading the attack on Teng. Their nonappearance suggests serious dissatisfaction with the recent turn of events.

The moderates appear to have been successful in restricting the campaign to Teng and protecting his supporters. Mao himself reportedly stated recently that the Cultural Revolution of the mid-1960s was "30 percent bad" because too many innocent officials were overthrown. Coming just after Teng's ouster, the Chairman's remarkable admission seems to indicate that Teng's fall is not the opening shot in another round of leadership purges.



Yeh Chien-ying



Chen Hsi-lien

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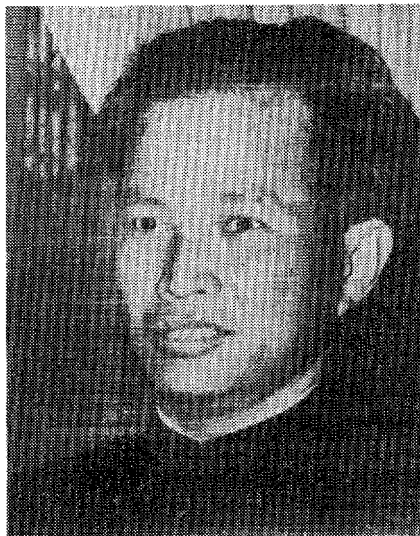
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CAMBODIA

The Khmer communists, one year after their take-over, completed their governmental reorganization last week, announcing appointments to top positions. The announcements followed a three-day session of the popular assembly, elected last month, which ratified the appointments and officially accepted the "retirement" of Prince Sihanouk and the resignation of the former cabinet.

Khieu Samphan was named chairman of the new State Presidium and will doubtless continue as the regime's leading spokesman. Several other leading communist figures have kept their cabinet positions—most notably deputy prime ministers Ieng Sary and Son Sen who retained the portfolios for foreign affairs and defense respectively. They have held these posts since last August. Their wives have also been given cabinet posts.

A number of figures not previously



Khieu Samphan

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identified as holding positions of responsibility have received high-level jobs. They

probably were active in the communist movement during the war years, but only now are beginning to surface. The new prime minister, for example, is Pol Pot—an individual the Cambodians have not further identified, but whom the Lao described in a congratulatory message as secretary general of the party central committee. Nuon Chea, a vice chairman of the communist military forces during the war, is now chairman of the popular assembly's standing committee. Other new faces include Sao Phim and Nim Ros as deputy chairmen of the Presidium.

Former prime minister Penn Nouth was named to an honorary position of "high counselor," but he is the only important figure associated with Sihanouk to be kept on in the new government. His retention suggests that he will continue to perform ceremonial duties and be used as the one remaining symbol of noncommunist participation in the government.

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International

BRAZIL-FRANCE 72-74

President Geisel hopes to forge closer ties with France when he meets with President Giscard d'Estaing in Paris next week. Consultations between the two nations have become frequent during the past year, and an exchange of visits by the foreign ministers helped set the stage for this state visit.

The meeting could produce some major agreements since commercial talks are planned and the groundwork is being laid for closer economic and cultural ties. During the past week, Brazil and France have already agreed to cooperate in space exploration and, according to press reports, are making preparations for large scale mineral exploration in Brazil and for the construction of a major hydroelectric project.

The topics to be discussed are likely to include the newly independent nations of Portuguese Africa. Both countries are interested in strengthening relations there. President Giscard will probably also show interest in the state of Brazilian-US relations in the aftermath of the visit by Secretary Kissinger.

Much of the potential for a significant improvement in relations apparently still hinges on the issue of nuclear cooperation. The Brazilians have already obtained a full nuclear fuel cycle from the West Germans and do not want to be committed to specific projects by the French. France, however, has expressed a desire to prospect for uranium ore in Brazil and to establish uranium enrichment facilities there. Earlier this year Foreign Minister Sauvagnargues publicly denied reports of a major dispute, but an agreement setting the parameters for nuclear cooperation that expired in 1974 has not been

renegotiated.

Demonstrations by French leftist parties could mar the festivities. A French Communist newspaper has already scored the visit, and leftists have called for protest demonstrations on the grounds that Geisel will be trying to attract industrial investment to Brazil, with its cheap labor market, at a time when firms are laying off workers in France. The probability of serious disruptions is reduced, however, by the fact that the Brazilian delegation will be housed on the outskirts of Paris, and the main banquet is to be held at Versailles.

Even if little of substance results from the talks, they will serve to underscore Brazil's claim to be an independent emerging power that can deal with great nations on an equal basis. It is with this in mind that Geisel also plans to travel to Great Britain next month.

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Europe

ITALY

Christian Democratic leader Zaccagnini has so far received little encouragement from other party leaders in his last minute consultations aimed at avoiding an early parliamentary election.

Zaccagnini went ahead with the talks despite the fact that the Socialists last week appeared to rule out a compromise when they called on all of the other parties to join in asking President Leone to dissolve parliament and schedule an election. The Socialists had been demanding either an election or the replacement of the Moro government by an emergency government that would depend on Com-



Zaccagnini

UPI

munist parliamentary support. The Christian Democrats' counterproposal would leave the Moro government in place but have it negotiate emergency economic measures and a compromise on the abortion question with all parties except the neo-fascists.

The Socialists at first refused even to discuss the Christian Democratic offer but agreed to meet with Zaccagnini when the other parties cautiously left the door open to further negotiations. After meeting with Zaccagnini this week, Socialist chief De Martino came close to rejecting his proposal but said that the Socialists would not reply formally until the Christian Democratic leader had consulted the other parties.

At this point, it appears that Zaccagnini's only hope of avoiding an election centers on the possibility of finding enough common ground with the Communists to bring pressure on the Socialists to reconsider their position. Zaccagnini and the Communists share a desire to postpone the contest but differ on how to do it. The Communists are pushing their own emergency formula under which the government would consult with them in parliament on a much broader range of issues than Zaccagnini proposes.

Conservative Christian Democrats have so far refused to consider the Communist Party's solution, because they fear that, in practice, it would enable the Communists, through the back door, to become part of the government's parliamentary majority. Under the proposal that the Christian Democrats have authorized Zaccagnini to present, the Communists would still be considered part of the opposition, despite their consultative role.

President Leone did not appear very confident this week that Zaccagnini would succeed in averting an electoral showdown. In recent months, Leone has steadfastly opposed an early election.

ARMS STANDARDIZATION

Ten European members of NATO's military organization and France met in Rome April 9 to consider steps to promote European collaboration in arms standardization and production.

The principal order of business at the meeting was the assignment of tasks to key national participants. Belgium, which was largely responsible for gaining French participation in the arms talks, will chair a steering group that will coordinate four joint European arms projects: a tactical combat aircraft, tank ammunition, a short-range antitank weapon, and minesweepers.

The British will collate national requirements and draw up an overall schedule for European equipment replacement.

The Germans have been given the politically sensitive task of working out the guidelines for European arms cooperation. Bonn has stressed the importance of maintaining momentum and ensuring that "political principles" not be lost sight of in the pursuit of specific projects. Critical issues for the group are how it will be related to NATO and how it will achieve a "two-way street" in arms trade with the US.

Other important questions to be resolved are how to preserve national production capabilities within a comprehensive European framework and how to compensate countries like Greece, which lack the industrial capability to share in many common production efforts.

Efforts of this group to work out collaborative production arrangements have tended to eclipse separate NATO standardization discussions, limiting the latter to the establishment of common equipment standards for each ally to meet. Most of the European members of the Alliance favor such a "standard-setting" role for NATO and an enhanced production role for Western Europe. They see such an arrangement as furthering their goal of recognition of Western Europe as an equal partner in the Alliance.

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EUROPEAN COMMUNITY

The EC Commission expects income disparities among member countries over the next five years to continue to widen. Community cohesion as a result will be further strained, policy coordination will become more difficult, and pressure for adopting trade restrictions will intensify.

The commission estimates that during 1976-80 the annual real growth rate of the community will be 4.4 percent, inflation will average 7.5 percent, and unemployment will remain relatively high by EC standards—probably 3.2 percent in 1980. Worse than average performance is generally expected in Great Britain, Italy, Ireland, and Luxembourg.

A medium-term EC economic program is still being developed. The commission would give top priority to job-creating investment and anti-inflation measures. It suggests investment subsidies, continued curbs on labor immigration from third countries, subsidies for hiring new workers, and liberalizing retirement rules. It also favors formal pacts among business, labor, and government—apparently to control wage increases, slow inflation, and encourage investment.

Diverging economic trends coupled with domestic political pressures guarantee continuing disagreement among members over future community economic policies. Britain and Italy can

be expected to advocate measures to stimulate production and employment, while West Germany will press for strict anti-inflationary policies and will resist calls for greater transfer of its resources.

Persistent economic disparities within the community may encourage individual members to opt for trade controls, contrary to the wishes of the commission. Projected economic conditions in Italy and Britain will increase pressures in these countries to restrict third country imports. Any such unilateral moves would violate the Treaty of Rome and further undermine community cohesion.

USSR

55-57

The failure of the Soviet grain harvest last year is causing more and more localized food shortages. In rural areas especially, there are reports of food shortages that in some cases may be severe. Supplies of most foods are adequate in the central parts of major cities.

Food shortages will ease as the new crop becomes available, but meat supplies will become increasingly tight. We estimate that total meat production in 1976 may fall by as much as one quarter below 1975 levels. State-operated packing plants will be hard-pressed to meet meat production goals already reduced 18 percent

from 1975.

Private sector meat output, about one third of the total, may be off even more. Scattered reports indicate difficulties in obtaining feed for privately owned livestock. In order to maintain herds in the "socialized" sector, collective and state farms may refuse to sell pigs from the spring farrowing to private households. These piglets are a primary source of private sector meat production.

Soviet authorities are taking steps to deal with the meat shortages. The USSR has just purchased from New Zealand 35,000 tons of mutton and beef, costing about \$28 million. The meat is to be shipped between January and July, the period when we expect domestic supplies to be most restricted. Since the beginning of the year, there have also been rumors of meat import contracts with Australia and France.

CZECHOSLOVAKIA

60-64

President and party chief Gustav Husak appears to have emerged from the Czechoslovak party congress last week with a stronger grip on the party apparatus. He also received a fresh vote of confidence from the Soviet Union.

Soviet Politburo member Andrey Kirilenko—unofficial deputy to party leader Brezhnev—conveyed Moscow's strong endorsement of Husak's stewardship, labeling him an "outstanding personality of the international workers movement" and a "great friend of the Soviet Union."

Husak extended in the name of the Central Committee a controversial offer of conditional rehabilitation to former party members who were purged or left the party after the Soviet-led invasion in 1968. The critical test for Husak will come when the rehabilitation drive meets expected obstruction from firmly entrenched hard liners in the lower levels of the party apparatus.

The re-election of all the members of the party presidium except the 80-year-old and ailing former president Ludvik

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Svoboda underlined continuity in the top policy-making body. Changes in the secretariat suggest that Husak now feels strong enough to put his personal stamp on day-to-day party business. The membership of the secretariat increased with the re-election of *Rude Pravo* editor-in-chief Svestka and the addition of three party officials who have risen to prominence during Husak's tenure.

The Central Committee elected at the congress was expanded to 120 full members. There was an unusually high turnover; of the 45 newcomers, 39 had not served as candidate members. Among the 39 members who were not re-elected were a number of ultraconservative holdovers from the Novotny period. The changes were even more striking among the candidate ranks. Of the 52 elected, 47 are new members.

Western Hemisphere

MEXICO

The Echeverria government is under fire from two of its most important constituents. The business community is up in arms over a draft law on urban land use, and angry campesinos are courting violence in their efforts to obtain more land. Both problems could carry over into the administration of President Echeverria's successor, Jose Lopez Portillo, who takes over in December.

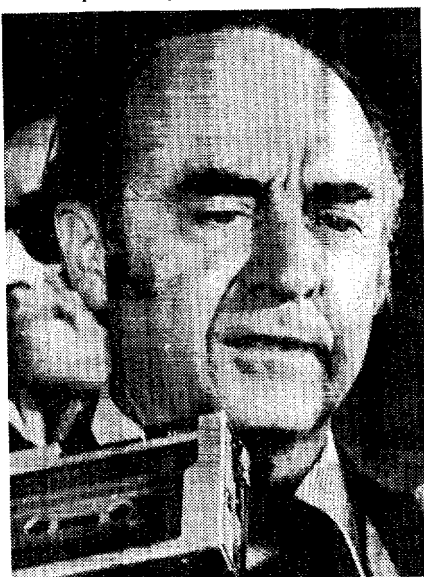
The draft "human settlements" law has sparked the most bitter business-government dispute in recent years. Its main purpose is to curb land speculation by giving local governments the power to zone land for "socially beneficial" uses. Its intent is to establish a system to deal with an expected huge urban population growth.

The private sector views the legislation as an unconstitutional assault on private ownership and part of a trend under Echeverria toward statism. Government proponents say the intent is not to con-

fiscate but to correct chaotic urban growth by channeling new migration into sparsely settled areas and restraining land speculators.

As a result of the proposed law, the business community's initial enthusiasm for Lopez Portillo as the next president has waned. Still too much in the President's shadow to take an independent stand, Lopez Portillo has sided with Echeverria on the issue.

Illegal land seizures in the countryside are worrying the government even more. Earlier this month, farm laborers carrying guns occupied a 400-hectare plot in the rich Yaqui Valley in the state of Sonora,



Lopez Portillo UPI

where large and highly productive privately owned farms predominate. Violence was averted, but landowners fear that failure to dislodge these squatters will encourage others. Land invasions on a smaller scale did in fact take place recently in four other states.

While acknowledging that invasions usually precede a change in administrations as campesinos try to pressure the incoming president, Echeverria and Lopez Portillo have spoken out forcefully on the incidents, calling on the campesinos to avoid violence.

The government has staved off similar trouble in the past by sending cabinet ministers to make promises to the campesinos and to relieve the fears of landowners. This time, however, officials are concerned that the practice of buying time has reached the point of diminishing return and that serious violence is a real possibility.

ARGENTINA

Argentina's military rulers acted with moderation in an early test of their ability to handle labor's reaction to the recently announced economic austerity program. Troops arrested a few workers in stopping a wildcat strike at the General Motors Buenos Aires plant last Monday.

Further government-labor tests may lie ahead. Slowdowns and extensive sabotage of production have been reported at other automotive plants in Buenos Aires and Cordoba. Absenteeism, which dropped sharply following the coup on March 24, is rising again.

Ford workers in Buenos Aires are said to be ready to demand a 40-percent wage hike, an increase incompatible with the terms of the government's stabilization program.

Labor problems in the automotive industry are especially touchy because the plants are foreign owned. Potential foreign investors that Argentina hopes to attract will be observing how vigorously the government deals with troubles in these plants. Moreover, automotive products are important earners of urgently needed foreign exchange.

Success of the government's program to restore economic stability will depend on its ability to control labor. The government faces a difficult choice. If disruptive actions continue, more repressive measures will be needed. Greater repression, however, could strengthen popular support for leftist movements and make the government's other main task—the containment of terrorism—more difficult.

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The three major noncommunist parties are expected to divide most of Sunday's vote, with the Communists running a distant fourth. Actual formation of a new government must await election within 60 to 75 days of a new president, who will play a major role in negotiating its composition.

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Portugal: Election Preview

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Portuguese voters go to the polls on April 25—the second anniversary of the overthrow of the Caetano regime—to select their first freely elected parliament in half a century. The election represents another victory for the noncommunist parties and military officers in their efforts to thwart the Communists' drive for power, although it may not be the final round in the struggle.

The results of the election on Sunday, coupled with the outcome of the presidential election to be held 60-70 days later, will determine the shape of the new government to be installed this summer.

Tight security measures have been imposed to assure that the balloting for the new 263-seat Assembly of the Republic takes place without serious disruption. The "operational" wing of the military led by army Chief of Staff Ramalho Eanes, which has insisted on returning the government to civilian hands and has been cooperating closely with the democratic parties, has been successful in keeping the widespread violence during the campaign from getting out of hand.

With the pronounced shift away from the left since last summer, the center and center-right parties should do well. The latest polls still show a large number of uncommitted voters, however, which, combined with a degree of voter apathy, could result in a low voter turnout. This could work in favor of the better organized left.

Although 14 parties are participating, only 4 appear to have a chance of obtaining a significant percentage of the vote—the Socialists, the centrist Popular Democrats, the center-right Social

Democratic Center, and the Communists.
Socialist Party

The fact that a democratic election is being held at all owes much to the persistent opposition of Mario Soares and other Socialist leaders to former prime minister Vasco Goncalves and his Communist supporters. The irony is that the conservative backlash, which the Socialists by their criticism of the left helped to trigger, will cut into the Socialists' own vote.

The Socialists—who have repeatedly stated their opposition to joining a post-election coalition—hope to obtain enough assembly seats to control the

government. To accomplish this, they say they must capture 40 percent or more of the popular vote. The party has portrayed itself as the only realistic alternative to an unstable government of the right, attempting to convince voters that the Socialists are in the best position—because of their good international connections—to oversee Portugal's economic recovery.

To succeed, the Socialists will have to retain most of the plurality vote which they gained in the constituent assembly election last year, make inroads into Communist strength, pick up support from the Popular Democratic Party's alienated left wing, and hold their own among first-time voters, many of whom come from the largely conservative ranks of Angola returnees. A lagging effort in the closing weeks of the campaign indicates that they will probably fall short of their goal and have to settle for 30 to 35 percent of the vote.

Popular Democratic Party

The Popular Democrats, led by Francisco Sa Carneiro, are hoping to capitalize on the shift to the right to improve substantially on the 26-percent share of the vote they received last year, which they believe would assure participation in the new government.

The party's strategy of seeking a post-election coalition with the Socialists will be complicated by its campaign tactic of attacking Soares' party and attempting to link the Socialists with the Communists in the public mind.

The Popular Democrats have a strong natural constituency in both the north and in the Azores and Madeiras, but they have been hampered in broadening their support by a lack of funds and of experienced



Mario Soares

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campaigners—the result of a split by the party's left-wing leaders in December. The Popular Democrats have developed close ties with the Angola refugees and with small farmers, who are incensed at the Socialist-supported government land reform program.



Francisco Sa Carneiro

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In order to achieve their election aims, the Popular Democrats must hold their strength in the north while picking up significant numbers of those who voted Socialist in the Constituent Assembly election last year. Opinion polls, which put the Popular Democrats' strength at 28 to 35 percent, would appear to give them an outside chance of supplanting the Socialists as the plurality party.

Social Democratic Center

The Popular Democrats probably could have hoped for even greater gains were it not for the campaign surge of the Social Democratic Center, the only major party which has not participated in recent governments. Ably led by Diogo Freitas do Amaral, the party has effectively presented itself as a fresh alternative to a succession of leftist governments whose "socialist" policies have "destroyed" the economy. In seeking votes from much the same constituency as the Popular Democrats, particularly in the north, the Center has attempted to tie the rival party

to the government's failings.

Prevented from campaigning by leftist agitators and hampered by a rightist image in last year's election, the Social Democratic Center received only 7.6 percent of the vote. Its goal this time is to triple that figure. If the party receives 18 to 25 percent of the vote, as some polls have indicated, it will have a strong claim to participation in the government.

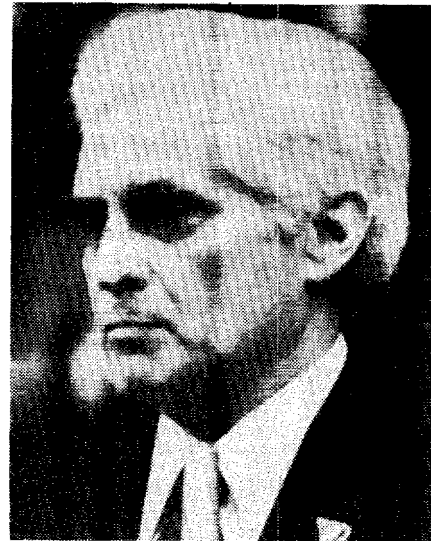
Communist Party

The decision to hold free elections is a sharp setback for the Communists, who have lobbied vigorously against them and tried to provoke a postponement behind the scenes. Sensing his party's increasing isolation, Alvaro Cunhal has attempted during the campaign to lay the groundwork for a "popular front" coalition government with the Socialists. This strategy also appears to have little chance of success, although some reports indicate that the Communists may have infiltrated the Socialist Party's left wing in order to influence that party's decision after the election.

The Communists—who won 13 percent of the vote last year—are hoping to garner at least 10 percent to give at least some credibility to their argument that they should be in the new government. Although the party expects to lose ground because of the conservative backlash, much of this may be offset by inheriting most of the 4.5 percent cast last year for its front organization, the Portuguese Democratic Movement, which is not running candidates of its own. The Communists should poll between 8 and 12 percent of the vote.

The Far Left

The significance of the eight far left parties on the ballot is that they will draw votes away from the Communists. They have effectively used free media exposure to disparage ties between Cunhal's party and Soviet leaders—portrayed as "neo-Hitlers" and "monsters" bent on military expansion who deprive their people of political rights. The far left parties should retain the 4 percent they received in the elections last year, giving them at most two or three assembly seats.



Alvaro Cunhal

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Government Possibilities

It appears unlikely that a clear winner will emerge from Sunday's balloting. A rough split of the electorate among the three noncommunist parties, with the Communists trailing a distant fourth, as the polls are predicting, is likely to result in a coalition government comprising the Socialists and one or both of the parties on their right. Such a coalition would have the blessing of the military as well as a broad base of popular support, but could be rent by deep-seated differences over government policy.

Should the Socialists win anywhere near the 40 percent they are seeking, they will probably try to form a government on their own with support from independents. Such a government is likely to be viewed with somewhat less favor by the "operational" military, who, although they have worked closely with the Socialists since November, oppose many of the programs supported by the party's left wing. Soares and other party moderates are also concerned about the strength of the left wing and may seek to sharply limit its role in party policy after the election.

Even though the Popular Democrats and the Social Democratic Center could win a majority of the assembly seats, a

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two-party right wing coalition with no labor credentials would lack stability. The Socialists' labor support appears vital if the new government is to deal with Portugal's serious economic and social problems. If there is difficulty in finding a workable coalition formula, calls for a national unity government that would include the Communists are likely to be heard, especially from leftist officers. The vital importance of labor peace may also be advanced as an argument for Communist participation.

The Presidential Election

Whatever the outcome of the assembly election, the new president—who is given extensive powers under the constitution—will play an important role in forming the government.

Disagreement among members of the Revolutionary Council—which has ruled Portugal for the past two years—over the advisability of running military candidates has led to speculation that a

civilian may be considered for the office. A near-majority vote for one of the non-Communist parties could increase the likelihood of a civilian president. An inconclusive parliamentary election, however, would seem to dictate the selection of a strong military figure, capable of arbitrating policy differences among the parties in the coalition likely to emerge.

The present head of state, Costa Gomes, Prime Minister Azevedo, and army Chief of Staff General Eanes appear to be fading from contention. Eanes is considered irreplaceable in his present position, while party and military support for both Costa Gomes and Azevedo has noticeably declined. Northern military region commander Pires Veloso has emerged as the military front-runner, with some support in each of the three major non-Communist parties.

Pires Veloso is a tough professional soldier and a rigid disciplinarian who has been discreetly campaigning behind the

scenes. Recent statements by the general indicate that as president he would adopt a hard line against leftist manipulation of the labor sector, which has contributed strongly to the present economic malaise.

The two-month interregnum between elections could see various attempts to disrupt the relative stability Portugal has enjoyed since November. A poor election showing, coupled with probable exclusion from the government, could prompt the Communists to take some rash action, including an attempt, in collusion with leftist military officers, to have the election results suspended.

Within the Revolutionary Council itself, the rivalry between the "political" officers led by Costa Gomes and Foreign Minister Melo Antunes and the "operational" who look to General Eanes also could reach a flashpoint as the "politicals" are faced with turning power over to elected civilians.

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Kenya's traditional concerns over two of its hostile neighbors—Somalia and Uganda—have been aggravated by fear that it might be drawn into a possible war over the French Territory of the Afars and Issas.

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Kenya: Worried About Neighbors

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Kenya believes it is seriously threatened by two hostile neighbors—Somalia and Uganda—armed with sophisticated Soviet weapons and eager to advance claims to parts of Kenyan territory.

Nairobi maintains one of the smaller armies in sub-Saharan Africa, preferring to emphasize economic development rather than military strength.

Tribal considerations may also enter into the decision to keep the army relatively small. It is the only significant institution in Kenya not dominated by members of President Kenyatta's Kikuyu tribe, although recent reorganizations and promotions are gradually shifting the balance to the Kikuyu.

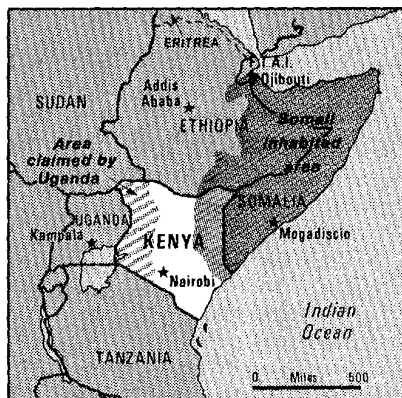
In the past, the Kenyans depended upon their mutual defense pact with Ethiopia and a long-standing tacit agreement with the UK providing for British assistance in the event of an attack on Kenya.

Nairobi now believes it can no longer count on British assistance and realizes that the chances of help from Ethiopia have been diminished by Addis Ababa's problems with Somalia and troubles with insurgencies in Eritrea and elsewhere.

The Kenyans are in fact concerned that the quarrel between Ethiopia and Somalia over the future of the French Territory of the Afars and Issas will lead to open warfare and that Kenya will be drawn into

the conflict.

Kenya's policy toward the Horn of Africa is marked by friendship with Ethiopia, its partner in a 13-year-old defense pact, and distrust of Somalia, which claims about one fifth of Kenya.



Kenya supports Paris' announced intention to grant independence to the French Territory of the Afars and Issas.

Somali designs on the territory—and Ethiopia's determination to thwart them—worry the Kenyans, however, because they fear their defense pact with Addis Ababa might embroil them in any military conflict that develops.

Nairobi also believes that a successful Somali take-over of the territory would

encourage Mogadiscio to act on its claims to the northeastern part of Kenya—inhabited primarily by ethnic Somalis—perhaps by starting a new insurgency there. The disputed area is sparsely settled and all but impossible for Kenya to defend.

The Soviet presence in Somalia has heightened Kenyan concerns. Kenya has been suspicious of the Soviets ever since Moscow supported some Kenyan leftists in the 1960s.

In keeping with the terms of the Kenya-Ethiopia defense pact, officials from both governments met early this year to coordinate contingency planning against Somalia. Nairobi has tentatively agreed to permit Ethiopia's armed forces to use Kenyan airports and other facilities in the event of war between Addis Ababa and Mogadiscio.

Kenya would be reluctant, however, to commit its own weak forces directly against Somalia. Should Ethiopia request direct Kenyan intervention, Nairobi would probably do little more than reinforce its border units so as to tie down Somali troops.

The Kenya-Uganda Balance

Relations between Kenya and Uganda, difficult since Idi Amin came to power in 1971, reached a new low recently. In February, Amin publicly claimed part of western Kenya, and Nairobi responded by

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organizing anti-Amin demonstrations and refusing to allow goods imported through Kenya's harbors to be transshipped to Uganda.

The Kenyans later eased the restriction, but imposed a number of other economic penalties, such as cutting in half Uganda's fuel allotment from the Nairobi refinery.

These sanctions appear to be hurting the Ugandan economy and may have provoked cross-border forays by helicopter-borne Ugandan troops this month—ostensibly seeking a heated battle.

Kenyan leaders, always concerned about Amin's erratic behavior, now are even more concerned by his accumulation of Soviet weapons and advisers, and by Uganda's ties to radical Arab states and Somalia. The Kenyans suspect that Amin's claims to parts of Kenya were made in collusion with Somali President Siad; we have no evidence to support this suspicion.

Kenya fears that if Mogadiscio does renew the insurgency in northeast Kenya, Uganda might lend support by staging some form of military diversion.

President Amin's term as chairman of the Organization of African Unity ends in July, and the Kenyans think he may feel free thereafter to take more aggressive action against Kenya. They are handling him very carefully. Kenyatta returned the Ugandan helicopters and several soldiers captured during the recent incursions with a stern warning to Amin.

Nairobi may also ease the economic restrictions in order to avoid giving Amin justification for a military move against Kenya on the grounds that it is strangling Uganda economically.

Kenyan leaders worry about Amin's superiority in weapons and numbers of troops. Kenyan units are generally better trained and disciplined.

Comparative Strengths and Major Equipment

	Somalia	Kenya	Uganda
Army			
Personnel	22,000	6,500	17,000
Tanks	250	0	73
Armored Vehicles	375	73	100
Anti-Tank Weapons/Rocket Launchers	136	475	20
Mortars	130	129	80
Field Artillery	232	0	53
Recoilless Rifles	0	20	36
AAA Weapons	420	0	80
Air Force			
Personnel	750	760	2,000
Bombers	3	6	0
Jet Fighters	50	3	68
SAM Battalions	4	0	Unknown
Helicopters	12	0	9
Navy			
Personnel	200	340	0
Ships	14	4	0
Paramilitary			
Personnel	1,500	1,600	500

Kenya is seeking military aid from the US and probably from others as well. Efforts to interest the British in providing troops or aircraft for a joint exercise or some other show of force, preferably near the border, have been unsuccessful.

The Uganda Side

Amin has his own army problems. In addition to chronic indiscipline and plotting in the military, some officers are reportedly unhappy with his hostility toward Kenya and with shortages of food and supplies resulting from Kenya's economic restrictions.

Nevertheless, Amin apparently feels the need for an almost constant external threat to divert popular attention from the effects of his five years of maladministration and turmoil.

In the event of a conflict between

Ethiopia and Somalia, Amin probably would, at a minimum, make military gestures that would tie down Kenyan troops on the western border.

It is far less likely that Amin would strike out on his own against Kenya. Under the right circumstances, however—such as a period of turmoil that might follow Kenyatta's death—the Uganda leader might try to seize a piece of Kenyan territory.

Uganda's military superiority over Kenya would give it an initial advantage, but it probably could not sustain major operations for long. Uganda has few well-trained ground force officers and even fewer qualified jet pilots.

A military campaign would bog down quickly because of logistics problems and the military indiscipline that has resulted from Amin's frequent reorganizations, transfers, and purges since coming to power.

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